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## NOTE DE L'ÉDITEUR

Translated from the French original by Michael Black

- 1 Hiroshi Sato's latest book, which focuses on rural China is a contribution to the debate taking place among specialists in transitology, the study of the retreat from communism and the transition to a market economy. Sato is resolutely on the side of those who take into account the inductive effects of the past, and is thus among the supporters of the theory of path dependency. Challenging an overly linear scheme of a retreat from a planned economy, which heralds the widespread establishment of a universal model of market economy, he is among those who believe that the old structures survive in the new.
- 2 Sato refers to three kinds of research : sociological and political science studies of the transition to the market economy<sup>1</sup>, economic analyses of the evolution of income distribution<sup>2</sup>, and sociological and anthropological research into the economic role played by social networks<sup>3</sup>. He thus develops a synthetic approach which combines economics, sociology and political science in order to deal with a key subject : markets understood as spaces for a nexus of social networks. Sato's aim is a better understanding of the consequences of the transition to a market economy for socio-economic players in rural China. The concept of social capital—in the three forms of human capital, political capital and network capital—is brought to bear in order to

clarify the relationships which exist between the market, the state and society, with the aim of going beyond a bipolar contrast between the market on the one hand, and the state on the other.

- 3 Focusing on rural China, Hiroshi Sato believes that markets are made up of networks. Moreover, he is interested not only in entrepreneurs and local government, but also in other protagonists such as migrants. Sato provides answers to two main questions : what are the main variables which determine access to economic opportunities ? What are the relations between these variables ? The author sees the central variable as being network capital, defined as the quantity and quality of social networks which socio-economic actors can mobilise : both primary networks linked to kinship and local origins, and secondary networks connected with proximity to the state and Party apparatus. Other forms of capital are taken into consideration : human capital (measured by level of education) and political capital (being a member of the Party or not). A comparative analysis—the research was carried out between 1997 and 1999 in the provinces of Shandong, Anhui, Jiangsu, Zhejiang, Guangdong, Hunan, Guizhou and Yunnan—shows that these three forms of capital operate in different ways, depending on the institutional environment. Just as he combines several disciplines, Sato blends, in a comparative perspective, quantitative analysis with qualitative data collected during interviews with peasants and local cadres.
- 4 The first part of the book brings together four case studies of rural markets and their protagonists—family businesses, migrants and local government. The second part is a comparative analysis of income distribution in villages in various provinces.
- 5 Several findings deserve mention. Firstly, Hiroshi Sato shows that social networks play a compensatory role in the absence of real markets. For example, it is the primary social networks based on kinship and local proximity which offset the lack of an efficient labour market. Similarly, the author shows that the variety of modes of management and growth of family businesses depends on their capacity to mobilise networks ; it is those rural families with the most political capital who have the most entrepreneurial strategies. Secondly, from a dynamic perspective, Sato shows that relations between local government and markets evolve as the latter emerge. His demonstration is based in particular on a comparison between village and district enterprises in the regions of Sunnan and Wenzhou ; in Wujiang, the Party and state cadres have captured dominant positions in the economic sphere, while in Wenzhou, private entrepreneurs are taking over the political field. Finally, Sato shows that human capital and political capital have positive effects on incomes, but that these effects vary according to the local context, depending on the level of development of the market and the characteristics of the Party and state apparatus.
- 6 Despite a few redundancies, and an overly didactic style, which sometimes makes for tedious reading, the wealth of research presented will make this book of interest to economists and sociologists, as well as to specialists in political science.

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## NOTES

1. Victor Nee, "A Theory of Market Transition : From Redistribution to Markets in State Socialism", *American Sociological Review*, No. 54, 1989, pp. 663-681 ; Jean C. Oi, *Rural China Takes Off : Institutional Foundation of Economic Reform*, Berkeley, University of California Press, 1999.
2. In particular by Li Shi of the Chinese Academy of Social Sciences.
3. David Wank, *Commodifying Communism : Business, Trust and Politics in a Chinese City*, Cambridge, Cambridge University Press, 1999.